

Nixon Sees An Upturn In Economy

WASHINGTON — (AP) — President Nixon has personally reassured some of the nation's top businessmen that the underlying economy of the nation is very strong and emphasized that he expects an economic upturn in the last half of this year.

Press Secretary Ronald L. Ziegler, reporting this today, said Nixon also discussed wage-price problems at a dinner with the 42 businessmen last night.

Some of those attending said they interpreted the President's remarks as a call for voluntary action to curb wage and price increases, but Ziegler said Nixon made no such direct appeal.

There was "no discussion along the lines of asking them to hold the line on prices," Ziegler told newsmen.

Cites Concern

Nixon, however, expressed his concern "for some of the distortions that exist now in the economy as the result of five years of inflationary trends," Ziegler said.

He said one of those distortions was price levels, but added there was "no discussion within the room about asking or requesting action" on wages and prices.

Ziegler said Nixon simply restated his decisions on wage and price controls. Nixon has said repeatedly he does not favor such controls.

Nixon, in the 2½ hours of private give-and-take with the business and financial leaders; also tried — with apparent success — to calm their doubts about his decision to move troops into Cambodia.

Ziegler said Nixon expressed his confidence in the Cambodian decision, called the operation highly successful and said it assured continuation of the Vietnamization program on course, including the scheduled pullout of 150,000 troops by next spring.

Chairman Arthur F. Burns of the Federal Reserve Board told the group he recognized some uneasiness in

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the country and "some concern about liquidity," Ziegler reported, but assured the gathering that the Federal Reserve Board "was aware and would discharge its responsibility."

But Ziegler said there was no discussion of any Federal Reserve steps to ease credit or bring interest rates down.

Effect Noted

As for the budget, the press secretary said Nixon made it "very clear" that his policies of budget restraint have had an effect on government economy and that he intends to continue them.

The executives, according to several who were there, told Nixon the Cambodia decision was a major factor in the stock market's plunge. He responded that, whether the nation realizes it or not, the military move will hasten the day of withdrawal from Vietnam.

"We were very encouraged," one businessman said afterward. "It was a good meeting," another said. A third said the group's reaction was "very positive re-

garding his general programs."

Those who consented to review the meeting insisted that their names not be used.

Most of Nixon's guests refused to comment, and the White House furnished no information.

The guest list was heavily

weighted with heads of financial institutions, indicating Nixon's primary concern was to reassure the jittery market.